JWI 530: Financial Management I
Course Guide

MISSION

The mission of *JWI 530: Financial Management I* is to transform lives and banish any "fear of finance" by building fluency in the language of business so students can use financial data, concepts, reports, and analytical techniques to drive better business results in current and in future roles.

COURSE DESCRIPTION

Financial accounting is often spoken of as the “language of business." Leaders must develop fluency in financial concepts, principles, and tools to understand and drive effective business decisions. In this course, you will learn to read, understand, and analyze financial data as recorded and reported in financial records and statements. You will also learn to apply concepts such as cost management, variance analysis, financial forecasting, and capital budgeting. Maximize the impact of your financial decisions by learning to speak with numbers.

COURSE OVERVIEW

The course is organized around two core areas:

1. Financial Accounting – how financial transactions are categorized, recorded, and reported. This section of the course will help you understand the conventions of Generally Accepted Accounting Principles (GAAP) and will teach you how to read and use the main financial reports and statements used by organizations around the world.

2. Management Accounting – how managers use the tools of budgeting, forecasting, and control to run their businesses. The second half of the course will take the mystery out of product costing reports, financial forecasting, and the budgeting process by explaining the financial terms and processes managers need to understand to run day-to-day operations. In addition, we will focus on how businesses assess the financial attractiveness of large-scale investments such as buying equipment or launching new ventures using Cost-Benefit Analysis techniques like NPV, IRR, and Payback.

OUR APPROACH

We approach the study of Financial Management in this course from a practical perspective that is designed to be applicable to all students. Our goal is to empower business leaders with the tools they need to be more effective. We will take the mystery and fear out of finance, presenting concepts in clear and direct ways. You will find lots of videos and hands-on exercises, texts, articles, and other materials that focus on the practical application of what you are learning.

To help ensure the topics we cover make sense and that you come out of the course with tools you can use, we will leverage three primary types of activities that, together, will comprise your final grade:

1. **Knowledge Checks:** In Finance and Accounting, there are some essential facts that you just need to know. There is a right and a wrong answer when performing calculations. To help ensure you pick up the key concepts correctly, there is a short Knowledge Check quiz in eight weeks of the course; we do not have a Knowledge Check in weeks 5 and 9. These are designed to help you review what you have learned and ensure you understand the key concepts. Although they are graded, each Knowledge Check is only worth 2.5% of your total course grade, so you should approach these as learning opportunities and not as "high-stakes tests." You can take each Knowledge Check twice and use your notes, readings, and the Internet.

2. **Assignments**: You have TWO major assignments in this course, one aligned with Financial Accounting and one with Management Accounting. The assignments provide an opportunity to dive into analysis and apply your newfound skills to real-life scenarios. Each assignment is organized into Part A and Part B deliverables. The required readings, supplemental materials, videos, and "Success Sessions" from your professors are provided to help ensure your success.

3. **Discussion Questions**: The weekly discussion questions are designed to help you explore the topics covered that week. These questions allow you to develop and share your financial skills as you engage with your fellow students and your professor. Take full advantage of this and be engaged. As with most lessons, the more you put into it, the more you will get out of it.

YOUR ROLE IN THE COURSE

As in previous JWMI courses, you should approach this course through the lens of a senior business leader who runs a division or team and has responsibilities for the sound financial management of that entity.

Although this is a finance course, we will not spend the entirety of the ten weeks crunching numbers and doing math. Instead, we will focus on *what those numbers mean* and on *how to develop (and manage) financial strategies*. We have provided numerous resources to support your learning journey, and, of course, your professor is available for help as needed. In short, do not sweat the math! If you can add and subtract (and occasionally multiply and divide), you already have the math skills necessary to succeed in this course and in business.

As long as you are interested in the "big picture" of what the numbers really mean and have the willingness to do the work, this course will help you crack the code of financial lingo, learn to read financial reports, and apply sound financial management practices to help your business win.

INSTRUCTIONAL MATERIALS

Required Resources

- Siciliano G. (2014). *Finance for Nonfinancial Managers*, 2nd edition. McGraw Hill Education, ISBN: 978-0-07-182436-1.
- Welch, J. & Welch, S. (2015). *The Real-Life MBA*. HarperCollins, ISBN: 978-0-06-236280-3.

Additional Resources (provided within the course)

- Videos
- Financial Statement Reference Guides
- Key Financial Ratios and Definitions
- Business Articles and Other Tools

NOTE: Some of the videos contained in this course are provided by LinkedIn Learning. We are fortunate to have free access to this wonderful resource for all students currently enrolled at JWMI. To access these videos, follow the steps here.

COURSE LEARNING OUTCOMES

1. Utilize financial accounting terminology to communicate effectively and professionally.
2. Read, analyze, and draw conclusions from the three main financial statements: the balance sheet, the income statement, and the statement of cash flows.
3. Apply Variance Trend Analysis techniques to gain insight into financial statements.
4. Analyze financial data and reports to make informed, strategic business decisions.
5. Apply managerial accounting practices such as product costing, capital budgeting, and cost/benefit analysis to increase profitability and make better business decisions.
6. Collect, synthesize, and apply financial accounting concepts and techniques to further financial acumen.

CONTACT INFORMATION FOR PROBLEMS OR ISSUES

- Have a curriculum-related question? Contact your instructor for assistance.
- Have a technology-related question? Contact JWMI Tech Support at (888) 596-5964 x3 or techsupport@jwmi.com.
- Have a student services-related question? Contact Student Services at (703) 561-2128 or stusupport@jwmi.com.

Course Snapshot

Weekly Topics		Synopsis
FINANCIAL ACCOUNTING	1. The Language of Business	Our course begins with an examination of the roles that finance and financial professionals play in both for-profit and not-for-profit organizations. We discuss key terms, concepts, and principles within Financial Accounting and introduce Variance Trend Analysis – a key tool for decision-making.
	2. The Balance Sheet	The Balance Sheet is an accounting report used to track an organization's net worth. It summarizes the organization's assets, liabilities, and equity at a specific point in time and provides an overview of what the organization owns and owes, as well as the amount invested by owners.
	3. The Income Statement	This week we focus on the Income Statement. This report allows a comparison of revenues from the sale of products or services to the expenses incurred in the process of generating those revenues and is a key performance measure for companies and management.
	4. The Cash Flow Statement	In Week 4, we examine the last of the "Big Three" financial reports – The Cash Flow Statement. This report details where an organization's money is coming from and how it is being spent. This makes it one of the most critical resources in assessing the financial health of an organization.
	5. Communication of Financial Results	We conclude our study of Financial Accounting by examining the public communication of financial results as well as safeguards for protecting the integrity of financial information.
MANAGERIAL ACCOUNTING	6. Introduction to Cost Accounting	As we begin the second half of our course, we focus on essential management accounting concepts and techniques that will enable you to make winning business decisions. You will learn techniques for analyzing costs, isolating cost drivers, and evaluating alternative courses of action.
	7. Costing Systems and Analysis	This week, we examine systems that companies use to track, manage, and report costs. We also use Cost-Volume-Profit and Variance Analysis to understand cost trends and behaviors, and for guiding decisions to improve financial results.
	8. Cost-Benefit Analysis and Capital Budgeting	Demonstrating that potential investments will provide a positive economic payout is the first step in analyzing options, selling your ideas, and making strategic business decisions. This week, we focus on Cost-Benefit Analysis concepts and tools and explore the role of Capital Budging in developing an accurate picture of an investment.
	9. Business Planning and Forecasting	Forecasting is the act of predicting future financial outcomes. As the future is unknown, this task is both "art and science" and is an essential skill of every savvy manager. We will examine techniques to take some of the mystery out of the process and develop more accurate forecasts.
	10. Budgeting	Budgeting is a process far too many people dread. However, with Jack's approach, it is an opportunity for management to gain insight into new ideas, improve communication of expectations, and set a strategic direction backed by appropriate resources.

COURSE OUTLINE
This 4.5 credit-hour Masters-level course is designed with the goal of having each student spend 10-15 hours (13.5 hours on average) in weekly work. This includes preparation, activities, discussions, and assignments; live or online; individual or in groups.

Week	Weekly Materials, Activities, and Assignments
1	**THE LANGUAGE of BUSINESS** **Learning Outcomes** • Understand key financial accounting terminology and concepts, including Variance Trend Analysis • Explore the objective and process for recording business transactions • Identify the role, activities, and the value-add of the Finance and Accounting Departments **Weekly Materials and Readings** • The Real Life MBA, Ch. 5 • Finance for Nonfinancial Managers, Ch. 1, and Ch. 2 • Additional Support Materials and Articles **Activities** • Discussion: *Introduce Yourself* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
2	**THE BALANCE SHEET** **Learning Outcomes** • Utilize financial accounting terminology related to the Balance Sheet • Read, analyze, and draw conclusions from the Balance Sheet • Apply Variance Trend Analysis to gain insight into the Balance Sheet **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 3, and Ch. 7 (pp. 98 – 103) • Additional Support Materials and Articles **Activities** • Discussion: *Balance Sheet Analysis* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
3	**THE INCOME STATEMENT** **Learning Outcomes** • Utilize financial accounting terminology associated with the Income Statement • Read, analyze, and draw conclusions from the Income Statement • Apply Variance Trend Analysis techniques to gain insight into the Income Statement **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 4, and Ch. 7 (pp. 103 – 109) • Additional Support Materials and Articles **Activities** • Discussion: *Income Statement Analysis* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
4	**THE CASH FLOW STATEMENT** **Learning Outcomes** • Utilize financial accounting terminology related to the Cash Flow Statement • Read, analyze, and draw conclusions from the Cash Flow Statement • Apply Variance Trend Analysis techniques to gain insight into changes in cash flow **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 5, and Ch. 6 • Additional Support Materials and Articles **Activities** • Discussion: *Cash Flow Statement Analysis* • Knowledge Check **Assignments** • Assignment 1A: Financial Analysis Snapshot and Initial Findings Due: Sunday, Midnight of Week 4

Week	Weekly Materials, Activities, and Assignments
5	**COMMUNICATION OF FINANCIAL RESULTS** **Learning Outcomes** • Listen to and discuss an earnings call from a publicly traded company • Utilize financial accounting terminology related to Financial Reporting • Examine the managerial responsibilities and implications of communicating financial information **Weekly Materials and Readings** • Additional Support Materials and Articles **Activities** • Discussion: *Earnings Call Review* **Assignments** • Assignment 1B: Executive Memo and Video Presentation Due: Sunday, Midnight of Week 5

Week	Weekly Materials, Activities, and Assignments
6	**INTRODUCTION TO COST ACCOUNTING** **Learning Outcomes** • Understand managerial accounting terminology and concepts related to Cost Accounting • Identify key components of cost • Apply managerial accounting practices such as product costing and allocation choices **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 8 • Additional Support Materials and Articles **Activities** • Discussion: *Costs* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
7	**COSTING SYSTEMS AND ANALYSIS** **Learning Outcomes** • Understand how costs are tracked and reported • Utilize managerial accounting terminology and concepts related to Cost Accounting • Apply analytical techniques such as Cost-Volume-Profit and Variance Analysis to make better business decisions **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 10 • Additional Support Materials and Articles **Activities** • Discussion: *Costing Systems and Analysis* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
8	**COST-BENEFIT ANALYSIS and CAPITAL BUDGETING** **Learning Objectives** • Learn key terms and concepts associated with Cost-Benefit Analysis • Discuss the role of financial and nonfinancial factors impacting the viability of business strategies • Apply tools and analysis techniques like NPV, IRR, and Payback to assess contribution **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 9 • Additional Support Materials and Articles **Activities** • Discussion: *Cost-Benefit Analysis* • Knowledge Check **Assignments** • None

Week	Weekly Materials, Activities, and Assignments
9	**BUSINESS PLANNING and FORECASTING** **Learning Outcomes** • Learn key terms and concepts associated with Financial Forecasting • Understand concepts like CAGR to forecast risk level • Use data-based techniques to provide meaningful estimates of future financial results **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 11 • Additional Support Materials and Articles **Activities** • Discussion: *Forecasting and CBA* **Assignments** • Assignment 2: Cost-Benefit Analysis Due: Sunday, Midnight of Week 9

Week	Weekly Materials, Activities, and Assignments
10	**BUDGETING** **Learning Outcomes** • Learn key terminology and concepts associated with Budgeting • Explore the advantages and disadvantages of common approaches to budgeting…and Jack's BETTER approach • Apply managerial accounting practices in Budgeting and Forecasting to increase profitability and make better business decisions **Weekly Materials and Readings** • Finance for Nonfinancial Managers, Ch. 12 • Additional Support Materials and Articles **Activities** • Discussion: *Budgeting* • Knowledge Check **Assignments** • None
11	**Activities** • Learning Journal

GRADING SCALE – Graduate

Graded Activities	% of Grade
Discussion Questions (10 Total – one each week) Due: Initial post due by Midnight on Wednesday each week; responses to two student posts due by Midnight on Sunday of that week	25
Knowledge Checks (8 Total worth 2.5% each) Due: Sunday at Midnight of weeks 1, 2, 3, 4, 6, 7, 8, and 10	20
Assignment 1A: Financial Analysis Snapshot and Initial Findings Due: Sunday at Midnight of week 4	10
Assignment 1B: Executive Memo and Presentation Due: Sunday at Midnight of week 5	20
Assignment 2: Cost-Benefit Analysis Due: Sunday at Midnight of week 9	25
Total	**100%**

Assignment 1A: Financial Analysis Snapshot and Initial Findings
Due Sunday, Midnight of Week 4 (10% of Final Grade)

Assignment 1 B: Executive Memo and Presentation
Due Sunday, Midnight of Week 5 (20% of Final Grade)

Your first assignment in this course will allow you to demonstrate your financial-statement-analysis skills. You will compare two real-life competitors and apply Variance Trend Analysis to their annual reports to find the "story behind the numbers." You will use the techniques covered in the first half of the course, which you have been exploring in the Discussion Questions for Weeks 2 through 4, so you should be well prepared to tackle this assignment.

You will be given the names of the two companies to compare, along with the specific assignment instructions in the Assignment module in Blackboard. Detailed rubrics for Assignments 1A and 1B will be provided in the assignment instructions documents. You will submit your work in the form of:

- Part A: Financial Analysis Snapshot and Initial Findings using data from the companies' annual reports
- Part B: Executive Memo and brief Video Presentation of your analysis

Assignment 2: Cost-Benefit Analysis
Due Sunday, Midnight of Week 9 (25% of Final Grade)

Your second assignment focuses on assessing the financial attractiveness of one or more capital investments. You will be provided with several scenarios, and you will use the Cost-Benefit Analysis techniques you have been learning about to calculate the Discounted Payback, Nominal Payback, Net Present Value, and Internal Rate of Return for a potential investment. You will also assess the nonfinancial elements of the investment and provide your recommendations on whether to pursue the project(s).

Detailed information on each scenario, along with specific questions to be answered, will be provided in the Assignment module in Blackboard. Detailed rubrics will be provided in the assignment instructions documents. You will submit your work in the form of:

- Part A: Data calculations based on the information in the scenarios
- Part B: Recommendations based on the calculations